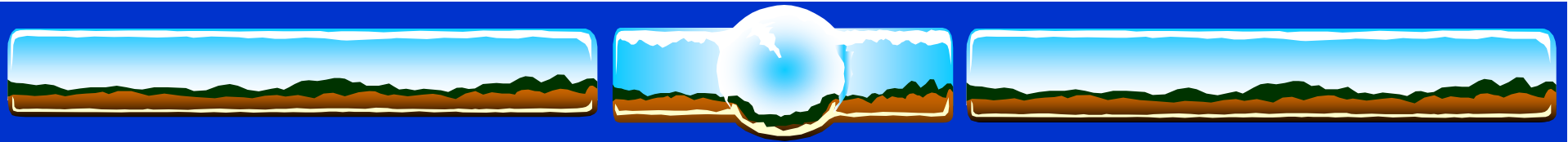
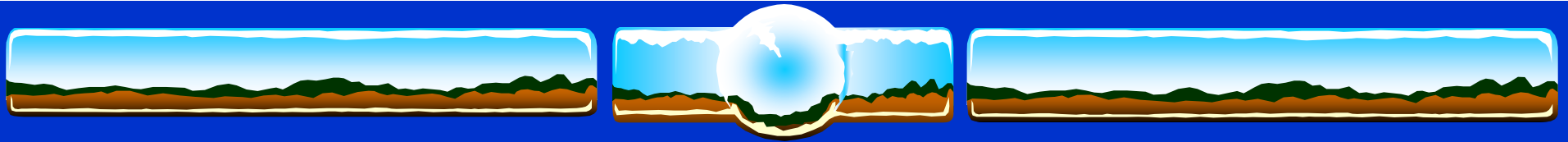


AIRPORT IMPROVEMENT PROGRAM



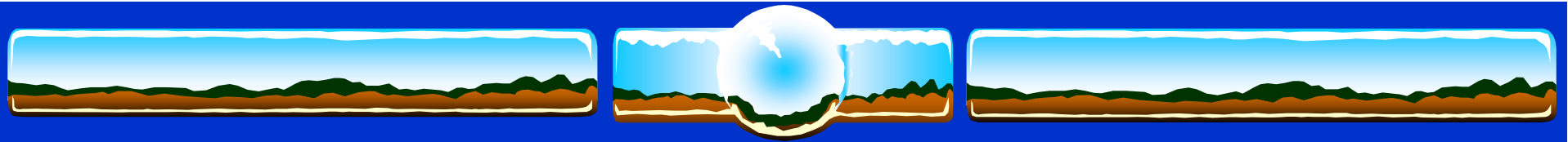
ELIGIBLE SPONSOR

- State/local government or Indian tribes owning airports
- Private owners of designated relievers or airports with more than 2,500 enplanements
- State/local government not owning airports—for planning and noise mitigation
- Federal government may never be sponsor



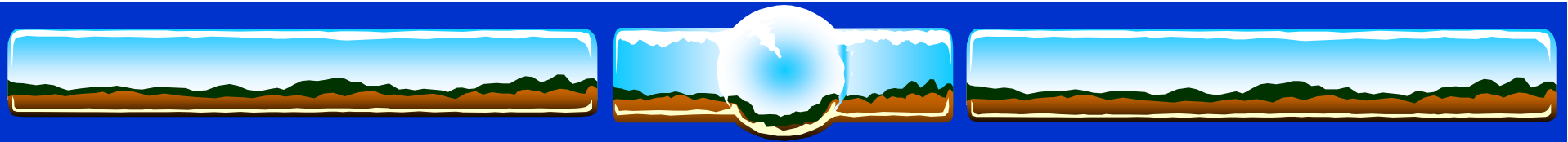
DEFINITION OF AIRPORT DEVELOPMENT

- Hazard mitigation
- Plans and specs
- NAVAIDS
- Safety/security
- Snow removal/weather reporting
- Deicing equipment
- Pavement maintenance (nonhubs and smaller)
- Terminal buildings
- Interactive training systems
- Windshear detection
- Lighting extensions
- EMAS
- Land for development
- Burn pits
- Tower/radar relocation
- Federal mandate
- Revenue-producing aeronautical facilities at nonprimary airports



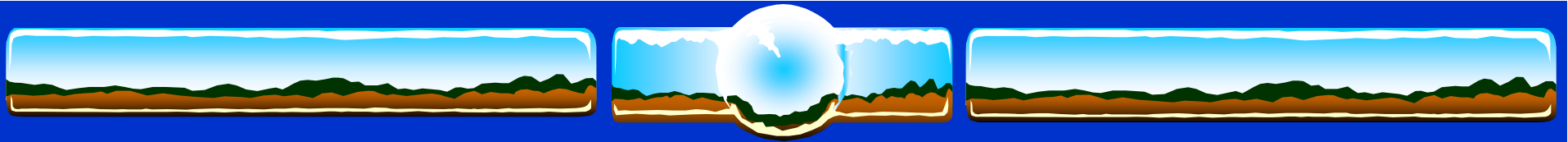
STATUTORILY INELIGIBLE

- All Parking lots at Large, Medium and Small Hubs; revenue producing lots at nonhub airports
- Revenue producing terminal development at Large, Medium and Small Hubs; nonpublic use at all airports
- Decorative landscaping
- Art works
- Any building except safety/security or eligible terminal (exception—hangars at MAP airports and nonprimary airports)



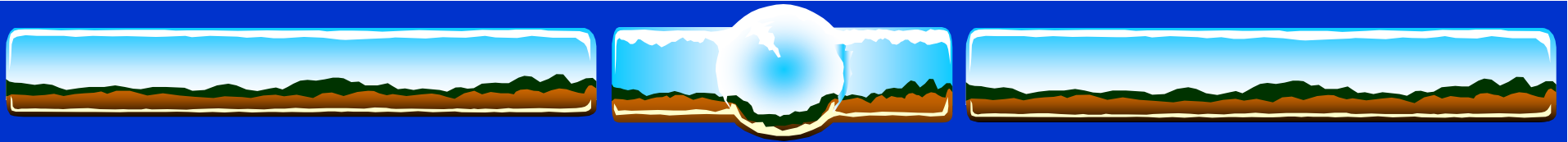
PROJECT ELIGIBILITY REQUIREMENTS

- Airport in National Plan of Integrated Airport Systems
- Appropriate airport sponsorship
- Local share - with state, private contributions
- Meets Current advisory circulars in grant agreement



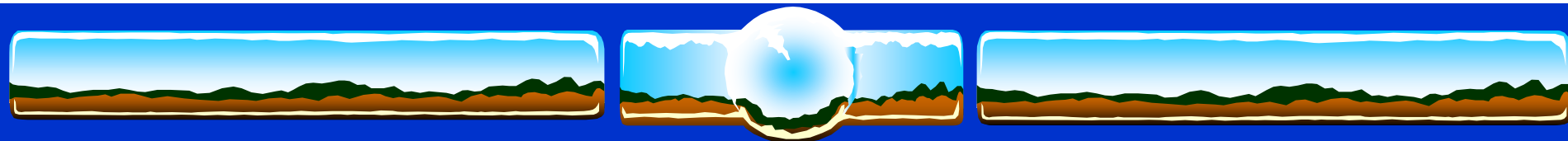
OTHER PROJECT ELIGIBILITY REQUIREMENTS

- Airport has Airport layout plan, local and area planning
- Capacity Projects > \$5 million discretionary must have Benefit-cost
- Environmental finding and land title
- Project meets aviation standards



JUSTIFICATION FOR DEVELOPMENT PROJECTS

- Justify based on established aeronautical demand
- Projects exceeding standards
- Projects may be eligible but not justified



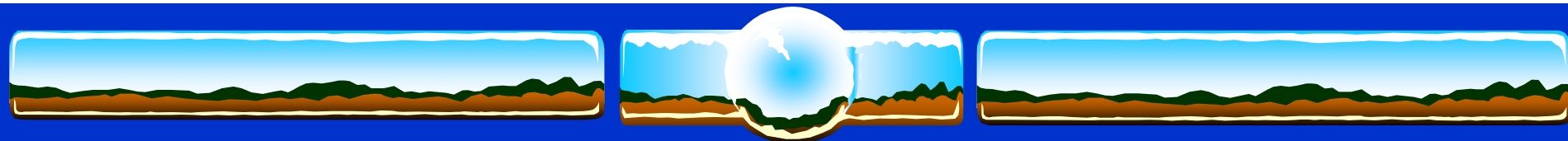
AIP FUNDING

➤ Divided into 3 categories:

- ❑ Entitlement

- ❑ Small Airport Fund

- ❑ Discretionary

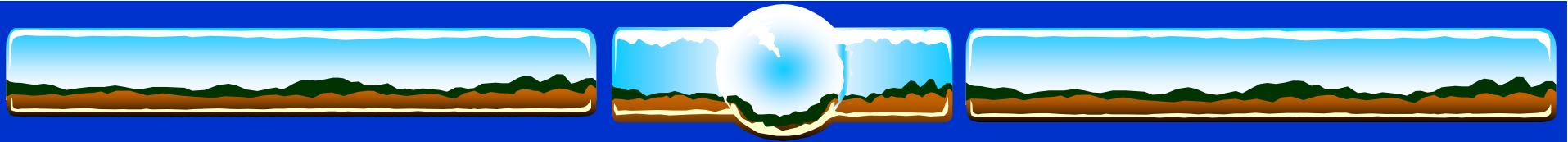


ENTITLEMENT

➤ Primary Airports:

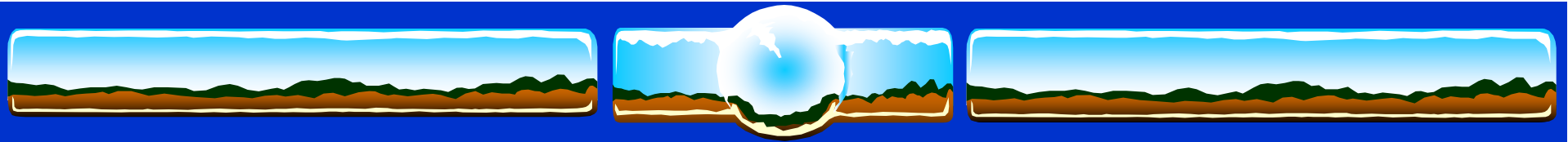
Apportionment based upon # of passengers

- ❑ \$7.80 for each of the first 50,000 enplanements
- ❑ \$5.20 for each of the next 50,000 enplanements
- ❑ \$2.60 for each of the next 400,000 enplanements
- ❑ \$.65 for each of the next 500,000 enplanements
- ❑ \$.50 for each additional enplanement



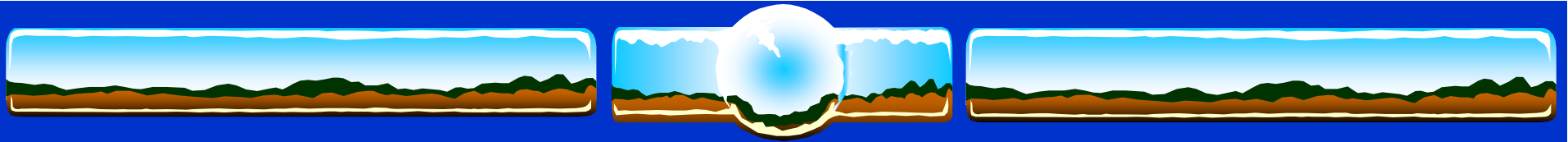
ENTITLEMENT CONT'D

- Cargo Service Airports:
 - ❑ 3.5% of AIP (based on landed cargo weight)
(effective FY 2004)
- States/Insular Areas:
 - ❑ 18.5% of AIP
- Alaska Supplemental
 - ❑ \$10.6 million of AIP



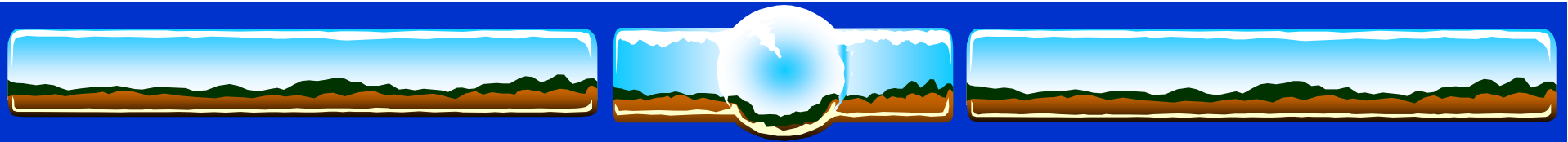
SMALL AIRPORT FUND

- Derived from entitlements forgone by large and medium hub airports collecting a PFC
- 87.5% of amount goes to Small Airport Fund
 - 1/7 to be used for Small Hubs
 - 4/7 to be used at nonhub, commercial service airports
 - 2/7 to be used general aviation and reliever airports
- 12.5% goes to Discretionary Fund



DISCRETIONARY (SET-ASIDES)

- Noise (effective FY 2004)
 - ❑ 35% of discretionary funds
- Military Airports Program
 - ❑ 4% of discretionary funds
- Reliever (Only if AIP > \$3.2 B)
 - ❑ 2/3 of 1% discretionary funds (approx. \$6 million)



DISCRETIONARY

- Capacity/Safety/Security/Noise

FY 04 - \$397,786,746

- ☐ 75% of remaining discretionary funds
- ☐ includes 3/4 of 12.5% returned entitlement

- Other Discretionary

FY 04 - \$132,595,582

- ☐ 25% of remaining discretionary funds
- ☐ includes 1/4 of 12.5% returned entitlement



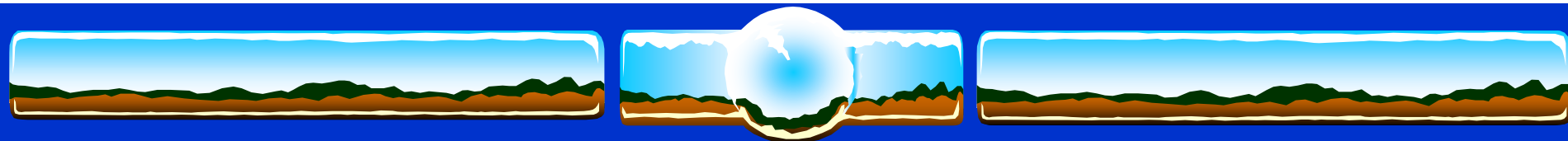
CHANGES AT \$3.2 BILLION

➤ Apportionment

- ❑ Doubles passenger entitlements
- ❑ Increases minimum entitlements to \$1.0 million from \$650K
- ❑ Max entitlements set at \$26M

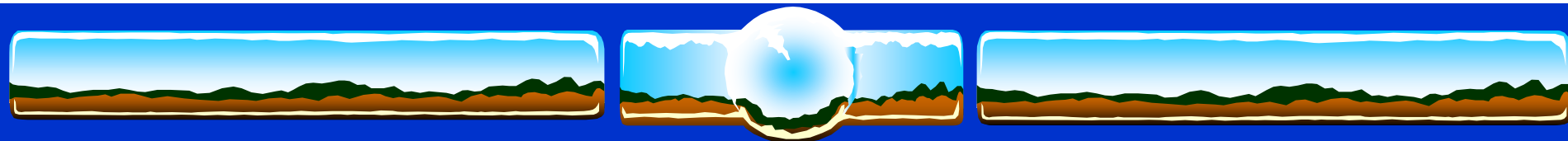
➤ State Apportionment

- ❑ Increase to 20% of AIP from 18.5%
- ❑ Apportionment for all non-primary airports
- ❑ Lesser of \$150K or 1/5 of published NPIAS costs for that airport



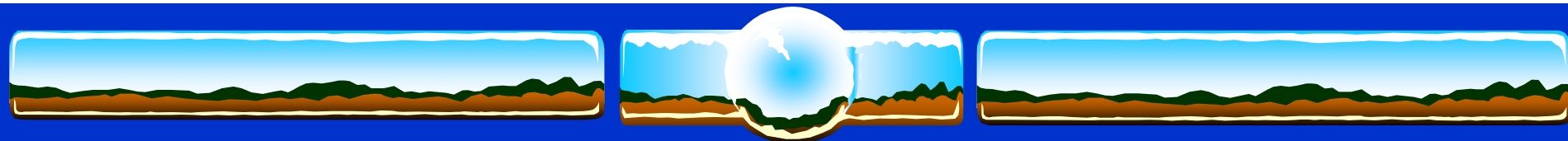
Nonprimary Entitlements

- 2,080 airports will be eligible for the maximum entitlement of \$150,000.
- 413 airports will receive entitlements between \$149,793 and \$1,000.
- 341 airports are currently not eligible for any entitlements



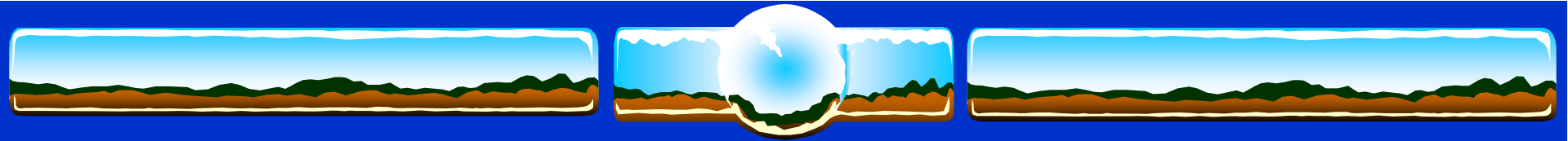
Allowable Cost

- FAA finds cost reasonable and necessary for project accomplishment
- Mostly must be incurred after a grant with some exceptions
- Exceptions include passenger, cargo and nonprimary entitlements; project formulation; land; noise projects in an approved Part 150



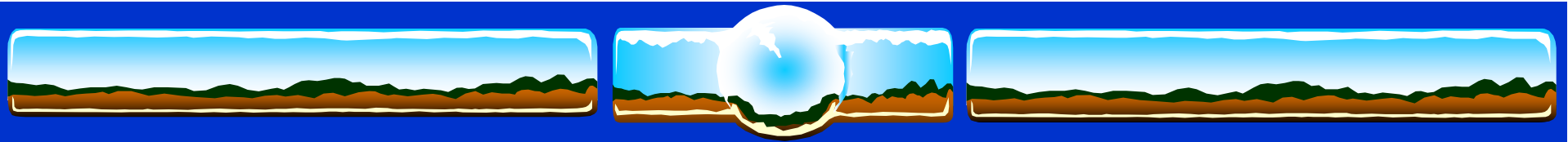
Assurances and Grant Conditions

- Assurance in effect for useful life of project; land is forever
- Grant conditions in effect as long as the project is being accomplished
- Application requirements only apply to approval of the project



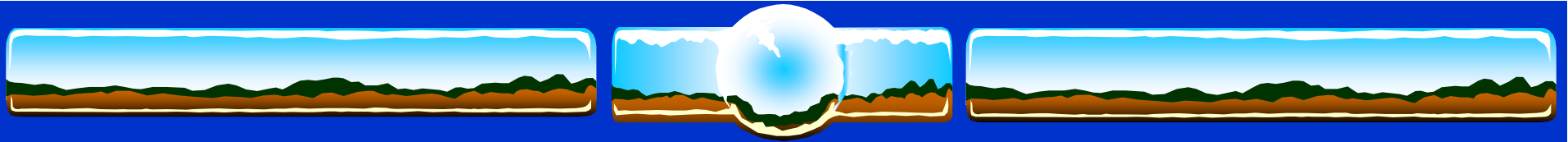
Assurances

- Available for public use on reasonable conditions and without unjust discrimination
- Air carriers with similar airport use will be subject to substantially similar charges
- No exclusive rights for aeronautical services
- Airport operated and maintained
- Take appropriate action to restrict adjacent land to compatible uses (if within airport authority)



Assurances (cont'd)

- Self sustainability
- Current airport layout plan
- Revenue use (operation/maintenance of airport, local airport system, or facilities owned/operated by airport that are directly related to air transportation)
- Land assurances and disposal of property



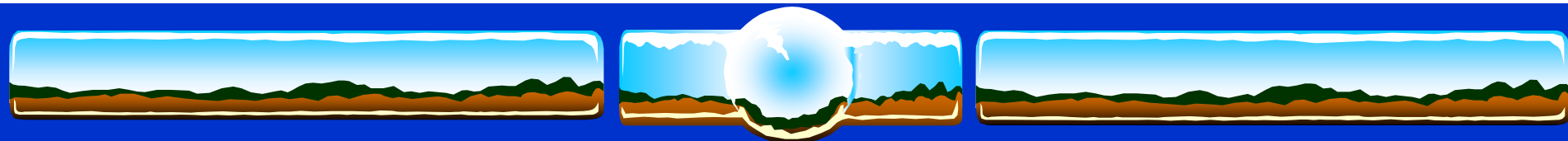
Grant Conditions and Application Requirements

- Brooks Act for professional services
- Davis-Bacon Act for construction wages
- DBE requirements for contracts
- Consistency of plans with surrounding public agencies
- Good title to landing area
- Environmental requirements
- Local Share---95% v. 75%



References

- FAA Order 5100.38B – AIP Handbook
- Program Guidance Letters
- Both Available at –
 - ❑ <http://www.faa.gov/arp/financial/aip/>



THE END

❖ *Thank You !*